



***California Veterans  
Board***

***Annual Report***

***2006-2007***

**CALIFORNIA VETERANS BOARD**



# Annual Report

2006-2007



## BOARD MEMBERS

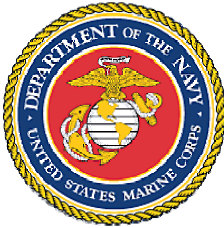
**Dr. Vernon Chong, Chairman**



**Randal Bressette, Vice Chairman**

**Jake Alarid, Member**

**Alice Astafan, Member**



**Thomas Moran, Member**

**Colin Shadell, Member**



# TABLE OF CONTENTS

INTRODUCTION .....	3
GOALS AND OBJECTIVES.....	4
MISSION STATEMENT.....	5
BOARD MEMBERS.....	5
ORGANIZATIONAL CHART .....	8
BOARD MEMBER QUALIFICATIONS .....	9
BOARD POSITIONS.....	9
BOARD RESPONSIBILITIES .....	9
MAP OF BOARD MEMBERS HOMETOWN.....	11
POLICY AND ADMINISTRATION .....	12
HOW DOES THE BOARD ATTEND TO POLICY .....	12
STRUCTURE AND PROCESS.....	13
DEPARTMENTAL PROGRAMS .....	14
FARM AND HOME LOAN PROGRAM.....	14
VETERANS SERVICES .....	17
VETERANS HOMES .....	18
CAPITAL DEVELOPMENT AND CONSTRUCTION .....	21

## Table of Contents-Continued

THE BOARD AND THE LEGISLATIVE PROCESS .....	21
---	----

THE BOARD AND THE APPEAL PROCESS.....	22
CHART OF APPEALS.....	23
THE BOARD AND THE VETERANS COMMUNITY.....	23
SUMMARY OF KEY ACTIVITIES .....	24
BUDGET EXPENDITURE REPORT .....	25
BOARD MEETING SCHEDULE.....	26
PLAQUES AND CERTIFICATES .....	26

## INTRODUCTION

The California Veterans Board (CVB) was established within the California Department of Veterans Affairs (CDVA) under the Statutes of 1946, and is governed by the California Military and Veterans Code. It is composed of seven members, appointed to non-concurrent four-year terms by the Governor, subject to confirmation by the Senate. The Governor fills vacancies for the unexpired portion of the terms in which they occur. One member must be a military retiree. Assembly Bill 2933, Statutes of 2000, Chapter 534 requires that one Board member shall have substantial training or professional expertise in geriatrics, gerontology, or

long-term care and one member shall have substantial training or professional expertise in mortgage lending and real estate finance. Senate Bill 1717, Statutes of 2000, Chapter 304, requires that at least one member of the Board be a resident of the California Veterans Homes. Senate Bill 1858, Statutes of 2002, Chapter 977, requires that one member shall have an accounting or auditing background, and preferably shall be a certified public accountant.

The Board elects a Chairman and a Vice Chairman. The Board conducts meetings on a bi-monthly schedule and may meet for Special Sessions for hearings on appeals or other pertinent business. A bi-monthly schedule allows for adding meetings to hear appeals without disrupting the announced schedule of meetings. This also provides for more responsive service for veteran appellants. In selecting appropriate sites to convene meetings throughout the State, the Board takes into consideration budgetary constraints, veteran's appeals and veteran representation in the community. California Veterans Homes are regular sites for meetings. Board meetings are open to all veterans, veterans service organizations, and the general public.

The Board also participates in the legislative process by testifying in person or in writing to the Legislature on behalf of veterans on matters pertaining to the welfare of the veteran community of California. Individual Board members may be assigned liaison duties with major veterans organizations including The American Legion, Disabled American Veterans, Veterans of Foreign Wars, and AMVETS. The Board may attend other veteran's functions by invitation. Board members serve on the Board's Select Committees at the pleasure of the Chairman, with the concurrence of the Board. Section 86(a) of the California Military and Veterans Code provides that any veteran who applies for benefits may appeal any decision of the Department to the Board. The Board is the final level of administrative appeal.

The Board monitors veterans and dependents policy issues through Select Committees, whose chairmen maintain contact with the Department staff and others. The Board determines the policy for all operations of the Department, including significant changes affecting all on-going programs, proposed programs, and long-range planning, to include the Farm and Home Loan program, veterans claims and rights, the California veterans homes, and the Department's Strategic Plan.

The people of the State of California have a long and distinguished history of support for the men and women who have served the United States in military uniform. This support has, over time, manifested itself by the development of a significant California public policy segment devoted to veterans and issues of importance to them. The duties and responsibilities of the California Veterans Board, which are enumerated in the Military and Veterans Code, evolved as part of that public policy development.

At the transition from the 19th to the 20th century, the State of California became the responsible manager of the Veterans Home of California at Yountville, a facility providing retirement care for aged and disabled military veterans since 1884. Following the armistice that ended World War I, California, like most other states, wanted to provide some sort of official appreciation for their service to those veterans returning from the war. In 1921, the Legislature established the Veterans Welfare Board to manage the programs enacted to give constructive form to that appreciation. By 1929 attention to veteran-related issues had grown sufficiently resulting in the establishment of a new department of state government to be known as the Department of Military and Veterans Affairs. Together with the Veterans Welfare Board and a number of other boards, this department managed veterans programs and policy issues until the end of World War II.

In 1946 following World War II, a governmental reorganization saw the establishment of the Department of Veterans Affairs and California Veterans Board as replacements for the

Department of Military and Veterans Affairs, the Veterans Welfare Board, and the lesser known boards. Statutory authorization for the California Veterans Board is found in Section 64 of the California Military and Veterans Code. Sections 65 and 66 of the Code establish the size of the Board and the requirements for service upon it.

## **GOALS AND OBJECTIVES FOR 2007**

- The California Veterans Board will set policies for the California Department of Veterans Affairs that will be both cost effective and valuable to the state's approximately 2.2 million veterans. While doing this task, the Board will ensure that the Department's expenditures are cost-effective by continuing to evaluate and approve major expenditures and operational procedures.
- The Board will seek more functional methods to adjudicate veteran's appeals against the state by better utilizing appropriate legal counsel and staff during research.
- The Board will work toward a fiscal climate for the Department that will permit the continuation of lowering Cal Vet loan interest rates, improved management of billing cycles and reimbursements of charges at the California Veterans Homes.
- The Board will continue to work with the Department as partners toward the simplification and streamlining of procedures and programs. This especially applies to the Farm and Home programs with their related insurance plans, and the fiscal management of the California Veterans Homes.
- The Board will work in partnership with the Department to evaluate the Alzheimer's and Dementia study and encourage the implementation of more beneficial programs at the veterans homes using cost-effective funding.
- The Board will continue to support the state's many veterans services programs while working to provide the California County Veterans Services Officers with proper tools and funding to carry out their assigned mission.
- The Board will work toward enhancing their relationship with the state's veteran population and continue to interface with the state's many veterans' organizations.
- The Board will continue to provide board oversight on new veterans home projects.
- The Board will continue an awards program to recognize those veterans and organizations deserving such recognition.
- The Board will respond to the principles of governance by involvement in the Department's policy matters rather than the Department's operations.
- The Board will continue to develop open communication with the Department of Veterans Affairs, The Governor's Office, the Veterans Committees in the Senate and Assembly and the veterans of California.

## **MISSION STATEMENT**

The California Veterans Board serves as an advocate for veterans affairs identifying needs and working to ensure and enhance the rights and benefits of California veterans and their dependents.

## **BOARD MEMBERS**

Members are not full-time employees, and do not receive a salary. They are reimbursed for travel expenses, subject to limitations, and are paid a small stipend per each day of service to California's veterans. This position requires Senate confirmation.

### **DR. VERNON CHONG, CHAIRMAN**

Dr. Chong, of Lincoln, is Chairman and has served as a member of the California Veterans Board since 2004. He was appointed by Governor Arnold Schwarzenegger as a member of the California Veterans Board in June 2004 and January 2005, and was elected Chairman in 2006. Dr. Chong is a physician and surgeon and a 31-year-veteran of the U.S. Air Force, achieving the rank of Major General before his retirement in 1994. His last active duty assignment was at the Headquarters United States European Command in Stuttgart, Germany as Command Surgeon. He was a Network Director for the U.S. Department of Veterans Affairs and Special Assistant to the Network Director from 1995-2003. His term expires January 15, 2009 in accordance to Military & Veterans Code §67.

### **RANDAL BRESSETTE, VICE CHAIRMAN**

Mr. Bressette, of Laguna Hills, is Vice Chairman and has served as a member of the California Veterans Board since 2005. He was appointed by Governor Arnold Schwarzenegger as a member of the California Veterans Board in December 2005. He is a founding member of the Laguna Hills City Council, first elected in 1991, and serving as Mayor in 1996, 2001 and 2005. He served in the United States Naval Reserve as an aircrew member from 1972 to 1995, retiring with the rank of Chief Warrant Officer. Bressette received a Bachelor's degree in Business Administration at the University of Redlands and a Master's degree in Financial Planning from Southern States University. He is a partner in The Bressette Companies, a financial planning firm. His term expires January 15, 2008 in accordance with Military & Veterans Code §67.

### **JAKE ALARID**

Mr. Alarid, of Whittier, has served as a member of the California Veterans Board since 2006. He was appointed by Governor Arnold Schwarzenegger as a member of the California Veterans Board in January 2006. He retired as an engineering manager for Rockwell International in 1994 after 35 years of service, during which he worked on the Apollo and Space Shuttle programs. Mr. Alarid served in the United States Marine Corps from 1952 to 1956. His term expires January 15, 2010 in accordance with Military & Veterans Code §67.

### **ALICE ASTAFAN**

Ms. Astafan, of Carmichael, has served as a member of the California Veterans Board since 2006. She was appointed by Governor Arnold Schwarzenegger as a member of the California Veterans Board in January 2006. She is currently the chief executive officer of the Federal Technology Center. Astafan served in the United States Air Force for over 30 years, retiring as a Major General. Astafan is a member of the National Advisory Committee for the Federal Laboratory Consortium and serves on the board of directors for the Eskaton Corporation.

Astafan earned a Master's degree in International Affairs and Early Childhood Education at Sacramento State University, a Bachelor of Science degree in Biology and Chemistry and a graduate in the National and International Security Program at the John F. Kennedy Senior Managers in Government Program. Her term expires January 15, 2010 in accordance with Military & Veterans Code §67.

## **THOMAS J. MORAN**

Mr. Moran is currently the owner/broker of Moran Realty, Lincoln, CA. He has been active in the real estate profession since 1977. He served as Executive Vice President for two real estate associations. He is a co-author of a real estate text book and taught real estate courses at community colleges in Santa Clara County for several years. He served 22 years in the U.S. Navy as an aviator and achieved the rank of Commander before his retirement. He served multiple tours in Vietnam. He holds a B.S. degree from the U.S. Navy Post-Graduate School and a M.S. from George Washington University. His term expires January 15, 2009.

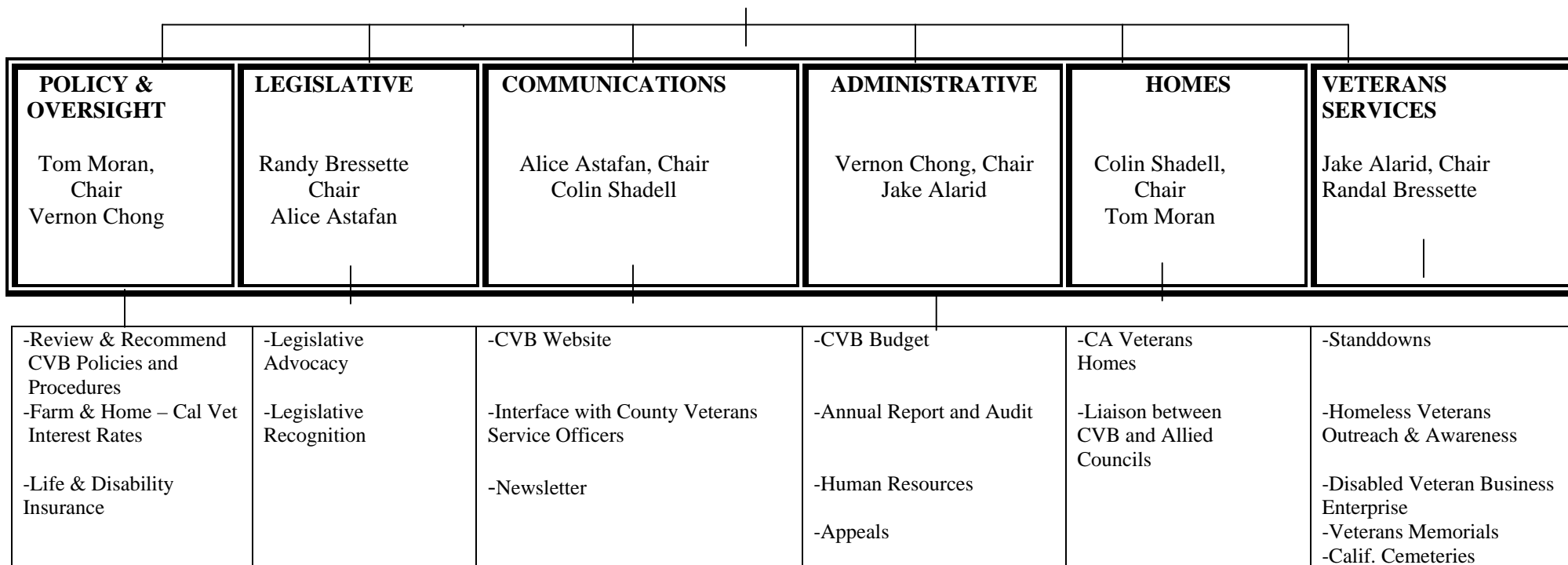
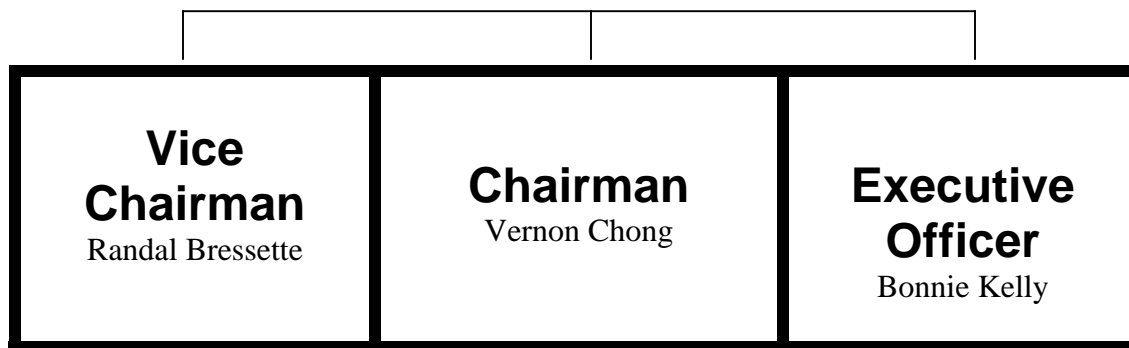
## **COLIN SHADELL**

Mr. Shadell, of Chula Vista, has served as a member of the California Veterans Board since 2006. He was appointed by Governor Arnold Schwarzenegger as a member of the California Veterans Board in May 2006. He is a retired Vice President of Charles Ford Co., an independent department store chain. He served as a naval aviator in the United States Navy from 1943 to 1960 being honorably discharged with the rank of Lieutenant Commander. During his service to our country he was awarded the Distinguished Flying Cross, four Air Medals and the Naval Commendation Medal. Currently, Mr. Shadell is treasurer of the Allied Council of the Chula Vista Veterans Home. His term expires January 15, 2008 in accordance with Military & Veterans Code §67.



# CALIFORNIA VETERANS BOARD

## 2007-2008 ORGANIZATION CHART & SELECT COMMITTEE ASSIGNMENTS



## **BOARD MEMBER QUALIFICATIONS**

The California Veterans Board was established within the California Department of Veterans Affairs under the Statutes of 1946, and is governed by the California Military and Veterans Code. It is composed of seven members, appointed to non-concurrent four-year terms by the Governor, subject to confirmation by the Senate. The Governor will fill any vacancies for the un-expired portion of the terms in which they occur.

- All of the members must be veterans as “veteran” is defined in Section 18540.4 of the Government Code (In accordance with Assembly Bill 76, Chapter 138, Statutes of 1993)
- One member shall be retired from the active or reserve forces of the United States military (In accordance with Assembly Bill 76, Chapter 138, Statutes of 1993.)
- One member shall have substantial training or professional expertise in mortgage lending and real estate finance (in accordance with Assembly Bill 2933, Chapter 534, Statutes of 2000)
- One member shall have substantial training or professional expertise in geriatrics, gerontology, or long-term care (in accordance with Assembly Bill 2933, Chapter 534, Statutes of 2000,).
- One member shall be a resident of the California Veterans Homes (in accordance with Senate Bill 1717, Chapter 304, Statutes of 2000).
- One member shall have an accounting or auditing background (Senate Bill 1858, Chapter 977, Statutes of 2002)

## **BOARD POSITIONS**

The Board elects a Chairman and a Vice Chairman from the membership for terms of two years.

## **BOARD RESPONSIBILITIES**

The Board takes into consideration budgetary constraints, veteran representation in the community, and appropriate meeting sites when convening meetings. Board meetings are open to all veterans, veterans’ service organizations, members of the legislature and the general public. For budget savings, the Board has conducted late afternoon meetings on a travel day followed by a morning meeting on the return travel day. Formal Appeal Hearings have been conducted on the first day.

The Board also participates in the legislative process by testifying in person or in writing to the Legislature on behalf of veterans on matters pertaining to the welfare of the veteran community of California. Individual Board members may be assigned liaison duties with major veterans organizations including but not restricted to: The American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, the Jewish War Veterans, the American GI Forum and the AMVETS. The Board may attend other veteran functions by invitation. Board members serve on the Board’s Select Committees at the pleasure of the Chairman.

The Board monitors veterans and dependents policy issues through Select Committees, whose chairmen maintain contact with the Department staff and others. The Board determines the policy for all operations of the Department, including significant changes affecting on-going programs, proposed programs, and long-range planning to include: the Farm and Home Loan program, Veterans claims and rights, the California Veterans homes, and the Department’s Strategic Plan.

Section 86(a) of the California Military and Veterans Code provides that any veteran who applies for benefits may appeal any decision of the Department to the Board. The Board is the final level of administrative appeal.

## **MAP OF BOARD MEMBERS HOMETOWNS**

### **HOMETOWNS OF CALIFORNIA VETERANS BOARD MEMBERS**



**Vernon Chong**  
Tom Moran  
\***Lincoln**  
**Alice Astafan**  
\***Carmichael**

**Jake Alarid**  
\***Whittier**  
**Randal Bressette**  
\***Laguna Hills**  
**Colin Shadell**  
\***Chula Vista**

## **POLICY AND ADMINISTRATION**

*The people of California have created a veterans-related public policy area of remarkable dimension. That dimension was created through a vote of the people at the ballot box, a wide range of action taken by the Legislature, and a history of strong support from California's governors. In the vast statutory maze that provides the structure of California government, more than 2,300 citations are veteran specific. Many of those statutes deal with programs administered and/or managed by the California Department of Veterans Affairs. Section 72 of the California Military and Veterans Code provides that the California Veterans Board "... shall determine the policies for all operations of the Department."*

Policy making is a collaborative effort. It requires the collection of information from many sources and from those with divergent points of view. Thoughtful review of the information is required before it can be appropriately distilled to a form usable in constructive discussion. Once these steps have been taken, consensus among the Board members must be reached on which items merit the status of policy items and which are merely informational or instructive.

The current Board membership believes that this collaborative process has been the norm rather than the exception for the past half-century. It recognizes, however, that the addition of clarifying language to Section 84 of the Code has improved the process by which policy for the Department of Veterans Affairs is made. These improvements were added through Senate Bill 1470, Chapter 1145, and Statutes of 1996.

The Department of Veterans Affairs, under provisions of Section 70 of the Military and Veterans Code, is charged with administration and management of the specified programs within its purview, and under Section 74 of the Code, the Secretary of Veterans Affairs is the responsible executive in the management and operation of those programs.

## **HOW DOES THE BOARD ATTEND TO POLICY?**

During this reporting year, members participated in many other meetings related to their work on the California Veterans Board. Additionally, each Board member participated in a number of functions that they did not believe met the standard of official business. It should be noted that the members of the Board are widely recognized throughout California as key players in the veteran's public policy arena (detail chart of appeals attached within).

## **STRUCTURE AND PROCESS**

The Board's policy making responsibility is an integral part of how the Department of Veterans Affairs manages the services it provides to California's veterans. The establishment of a concise and orderly process by the Board to exercise that responsibility is also fundamental.

To achieve this orderly process, the Board has created two mechanisms. The first is a select committee structure through which topic-specific review and individual expertise or interest of a Board member can be effectively utilized to gather and prioritize information so that action items can be identified. Once identified, the select committee members bring items to the public meeting of the full Board for additional review and whatever response the full membership sees as appropriate. The second element in the Board's structure is the Policy Book. As the name indicates, this is the official statement of the "...guiding principles..." promulgated by the Board in discharge of its duties as described in Section 72 of the Military and Veterans Code.

The Select Committees are: Policy and Procedures, Legislative, Communications, Administrative, Homes, and Veterans Services. Assignments to these six Select Committees encompass the majority of work done by individual members in the discharge of their Board responsibilities. Details of each committee are included in the minutes of the Board meetings found on the Boards web site: [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board). The key accomplishments of those committees include:

1. The California Veterans Board Annual Report
2. Produces bi-monthly newsletter
3. Reviews and states position on legislative bills
4. Recognition to numerous veteran supporters and veterans organizations (chart enclosed)
5. Reports on and visits to each of the three California Veterans Homes
6. Monthly updates on Veterans Services Programs
7. Revising and updating the California Veterans Board Policy Book and Administrative Procedures

The 2001 Legislative session provided reinforcing language with respect to the role and support of the Board. Senate Bill 164, Chapter 220, Statutes of 2001, requires the Board Chair, with the concurrence of a majority of Board members, to appoint a full time Executive Officer to tend the day-to-day business of the Board. The bill also required the Board to provide an annual report to the Legislature.

## **DEPARTMENTAL PROGRAMS**

### **FARM AND HOME LOAN PROGRAM (CalVet)**

The Department began making low interest rate farm and home loans to veterans in the State of California following the enactment by the California Legislature of the Veterans Farm and Home Purchase Act of 1921. In 1943, the Legislature enacted the Veterans Farm and Home Purchase Act of 1943, which modified the Program to meet new needs of veterans. The Veterans Farm and Home Purchase Act of 1974, which again modified the Program, superceded the 1943 Act. The 1943 Act established the Veterans Farm and Home Building Fund of 1943 in the State Treasury, which is the principal fund utilized by the Program.

Funds used to finance the purchases are through the sale of Revenue Bonds and Veterans General Obligation bonds, combined with surplus revenues under the Program not needed at any given time to meet debt service (bond retirement schedules) and operating costs.

Throughout fiscal year 2006-07, the Board continued to encourage the management of the CalVet Farm and Home Loan Program to make improvements to the loan product. The goal of the Board and CDVA is to make CalVet the loan of choice for California veterans. Among the improvements supported by the Board by legislation and policy were management of interest rates in order to manage loan volume and funding supply, and support of much needed federal legislation to eliminate certain restrictions on Qualified Veterans Mortgage Bond money that is restricting the pool of veterans eligible for these low-cost funds. Since inception, the Program has assisted over 417,000 veterans to purchase farms and homes throughout the State as a benefit to recognize their personal sacrifice and service to state and country.

The CalVet Home Loan Program has faced a number of challenges over the past year. In response to those challenges, the Department has been restructuring the Program into a more cost-effective and efficient operation that manages its assets to maximize revenues and investment yield. Achievements over the past year include:

- An Electronic Funds Transfer (EFT) program was implemented to improve convenience for customers as well as reduce costs through technology. Enhancements continue to be made to the program, and use of this program has increased by approximately 10% over the past year.
- With the Board's support, Legislation was introduced in 2007 to increase the maximum loan limit on mobile homes in parks from \$125,000 to \$175,000, thereby allowing veterans a greater opportunity to purchase affordable housing. Legislation is still pending as of October 1, 2007.
- Veterans have the ability to apply for loans on-line. Approximately 38% of loan applications are received on-line, and veterans will have the ability by the end of 2007 to access account information on-line. These improvements conform to Board discussions on improving program access.
- In June 2004, the Department developed a 5-Year Strategic Business Plan for the CalVet Home Loan Program, which was presented to the Board and provides the direction the Program must head for success under current economic and political conditions. The plan is in the process of being updated in 2007 and will conform with the goals and objectives of the overall Department Strategic Plan. The Veterans Board will be briefed on the updated Plan when available.
- During 2007, new legislation was introduced in the 110th Congress (HR 551), which would provide greater equity and availability of Qualified Veterans Mortgage Bond (QVMB) funds for years to come. Efforts must continue to seek legislative changes at the Federal level so recent war veterans can enjoy the same benefits as their predecessors. This bill has the support and sponsorship of all California Congressional members, except the Speaker of the House, who does not customarily sponsor bills. The following entities also support HR 551: The Governor of California, the California State Commanders Veterans Council; Military Order of the Purple Heart, Department

of California; Veterans of Foreign Wars, Department of California; Marine Corps League, Department of California; AMVETS, Department of California; Jewish War Veterans of the USA, Department of California; Fleet Reserve Association, West Coast Area; Armed Forces Retirees Association of California; Military Officers Association of America, California Council of Chapters; California Association of County Veterans Service Officers; Air Force Sergeants Association; Reserve Officers Association, Department of California; Legion of Valor; American Ex-Prisoners-of-War; WAVES National; Paralyzed Veterans of America; Vietnam Veterans of America, California State Council; National Association for Uniformed Services; The Retired Enlisted Association; Association of the U.S. Army California Association of Realtors. The following have supported previous versions of this legislation, The California Legislature; The American Legion, Department of California; Disabled American Veterans, Department of California; California Building Industry Association; California Association of Mortgage Brokers and the National Association of State Directors of Veterans Affairs.

- The Department received an allocation of \$140 million in Qualified Mortgage Bonds (QMB) authority from the California Debt Limit Allocation Committee (CDLAC) at their March 21, 2007 meeting with the possibility of an additional \$50 million later in 2007. QMB funds can be used to make loans to veterans who meet certain income and price limitations, and are first-time homebuyers (unless purchasing in a targeted area). However, under the provisions of HR 6111 passed in the 109<sup>th</sup> Congress on December 20, 2006, veterans funded through QMB issued in 2007 are exempt from the first-time homebuyer requirement. A \$140 million Revenue Bond sale closed in June. Bonds sold for a coupon rate averaging slightly less than 5.00%, and the funds will go out at a rate of 5.25%. Additional QMB allocation will depend on the Department's ability to rapidly commit the full \$140 million to new loans.
- The Redding and San Diego District Offices were moved into smaller, more appropriate space, resulting in overhead cost savings without disruption of service to our Veterans.
- In order to make the various insurance programs self-sufficient, premiums on the Disaster Indemnity coverage were increased. However, because of the revaluation of replacement cost on portfolio properties, the Fire and Hazard Insurance decreased. This netted a slight cost savings for those contract holders having both Disaster Indemnity and Fire and Hazard coverage.
- A new Primary Mortgage Insurance (PMI) agreement was entered into whereby premiums were reduced by 20%, plus a refund on premiums paid. This resulted in a refund of approximately \$126,000 to the Program, and additional premium refunds are expected each year depending on the number of PMI insured loans that are processed.
- The Department continues to increase its use of the Internet to inform veterans of current issues and changes. The Department also is making expanded use of its "Intranet" as a means to keep staff informed and to store important manuals, forms, documents, reports, etc.



- Cal-Vet's delinquency and foreclosure rates continue to typically be lower than FHA and USDVA's rates. Although there has been some increase in foreclosures due to current housing industry issues, the increase is less than that of other lenders.
- As of June 30, 2007, there were total Program assets of approximately \$2.28 billion (a 5.7% increase over the previous fiscal year), Fund Equity of approximately \$226 million, and a portfolio of 13,825 contracts totaling \$1.514 billion.

## **VETERANS SERVICES**

During fiscal year 2006-07, the Veterans Services Division (the Division) continued implementation of many strategic objectives that support the vision, mission and goals of both the Division and the Department. Through increased Division efforts and strategic partnerships with the California National Guard, the County Veteran Service Offices, the Employment Development Department, the Labor and Workforce Development Agency, and the Veteran Service Organizations, the Division intends to maximize its outreach and educational efforts across the State of California to its 2.2 million veterans and their families.

One of our strategic goals is to provide high quality advocacy and services for veterans. In order to do so, and to maximize the effective use of scarce resources, we need to understand who California's veterans are, what services they utilize, where they go to seek information, and what types of outreach would be most beneficial to them in the future. As an initial step toward answering these types of questions, and with the additional objective of identifying pockets of un-served or under-served veterans, the Department undertook a statewide survey of California's veterans. The survey was conducted between June 1<sup>st</sup> and July 28<sup>th</sup>, 2006. The Division has published a report providing an analysis of survey results, and which provides decision makers with factual information to assist them in designing future outreach and marketing strategies aimed at improving California's utilization of veteran benefits. The survey was a cooperative effort with the California Association of County Veteran Service Officers and the San Bernardino County Human Services Office.

Specific outreach efforts include the Division's active role in efforts such as "Troops to College", "Hire A Hero, Hire A Vet", "State Benefits Seamless Transition", development and deployment of a depleted uranium fact sheet, providing state benefit training to EDD staff and TAP instructors, and continuing our "Thank You for Your Service" welcome home campaign with approximately 23,000 letters being sent to veterans returning to California in 2006-07.

The District Offices at Oakland, Los Angeles and San Diego dramatically increased their claims and benefits representation workload. Rating Decisions and Hearings increased at least 15% and up to 35% in the three district offices. Outreach to the community increased an average of 10% over the prior year. During this past fiscal year the Department was able to upgrade the classifications utilized by three district offices to levels more commensurate with the work being performed by the veteran claims representatives. In addition, it will expand the pool of eligible applicants and enable the Division to recruit and retain quality staff.

The Northern California Veterans Cemetery has continued to develop into a premier cemetery serving the needs of veterans and their families in Northern California. By August of 2007, almost 900 eligible veterans and dependents had been interred at the facility. The programs honoring our deceased and living veterans have become the primary programs in Northern

California with an average attendance of over 800 members of the public. The cemetery has implemented various support committees and continues to receive active community support both in cash and in-kind donations as well as volunteers. On Memorial Day 2007, the cemetery dedicated its second memorial, the Combat Wounded Veterans Memorial.

The Disabled Veterans Business Enterprise (DVBE) Program has continued to expand. The monthly DVBE Advocate Meetings have more than doubled and the Education and Outreach Coordinators have increased their participation in the Governor's Collaboration Conferences as well as other outreach efforts throughout the state. During FY 2006-07, the Division completed and distributed both the DVBE Toolkit for departmental Advocates and a program Fact Sheet. The Department exceeded the DVBE participation goal of 3%, with 3.93% of all its procurements going to DVBE firms.

The Division continues to expand its Homeless Veterans Program. During this past fiscal year the Division hired a Homeless Veterans Coordinator who is responsible for the administration of the Stand Down grants and conducting outreach and education. The Division provided \$44,000 in grants to local organizations conducting homeless veteran stand downs.

The recently re-enacted process of auditing County Veterans Service Offices (CVSOs) has been further refined and improved. The process of verifying reported data is moving towards a paperless process. San Diego County proposed a system of electronic claim and workload reporting. The Division provided technical support and guidance to this effort. The WEB based system that is now implemented in fifteen counties will allow for paperless electronic workload reporting as well as the electronic audit of this data. This initial work is a precursor to the effort to implement a statewide veteran case management system for all CVSO's.

During the coming fiscal year the Division will continue to expand its outreach to veterans and their dependents in the Golden State by the following:

- A Letter of Intent to solidify the relationship between the outreach to the state's National Guard by the CDVA and CVSOs.
- Implementation of a pilot project to partnership with the Department of Health Services to identify veterans who receive MediCal benefits and who could also be eligible for veteran benefits
- Working with the Division of Communication and Legislation on enhanced fact sheets, brochures, and public service announcements.
- Expansion of outreach to veterans, their survivors, and families across the State of California.

## **VETERANS HOMES**

The state's aged or disabled veterans are provided with rehabilitative, residential, and medical care and services in a home-like environment at the California Veterans Homes. The healthcare experience of our home Administrators assured successful completion of Department of Health Service and U.S. Department of Veterans Affairs surveys during this past year.

In June 2006, Secretary Johnson reported to the Board on the 2007-08 state budget, as it relates to all veterans homes. The State is still in a structural deficit and there are no new programs or expanded programs that are being allowed. The major concern going forward is the salary issue. There's two court decisions that have affected our veteran's home professional, medical and health staff.

In August, Secretary Johnson advised that relative to the homes, Barstow and Chula Vista have the highest census they've had in the last three years, and Yountville is at 90%.

In December, Undersecretary Roger Brautigan announced that for the first time, Finance is going to give the Department an equipment replacement fund on an annual basis so that equipment at the Homes can be replaced over time with gradual cost of living increases programmed in. Secretary Johnson has instituted quarterly updates, which may become monthly, with the Department of General Services to review the status of all of these projects and push for their completion. The Department has been given approval to renovate the Member Services Building at Yountville and bids are currently open for an architect firm to begin the design work.

Congress passed a continuing resolution that added \$3.4 Billion to the veterans' budget. There was a concern about an anticipated increase in the per diem rates for our homes, but the added dollars will cover the increases. The State Home Grant Program remains underfunded at \$85 Million with over \$400 million in state projects in the queue. There's \$150 Million in the budget for states that want cemeteries. There's additional money being put in for vet centers. There is one more vet center being put in for California, which will be located in Modesto, out of the 15 that are being budgeted in the federal budget. The VA is considering opening a clinic at the Redding and Fresno sites.

The Department reported on issues related to the Veterans Home of California - **Yountville**.

#### **July 2006:**

The Home began an extensive strategic planning process to consider the needs of coming generations of veterans, in conjunction with the CDVA overall strategic planning process. The result has been an expanded focus on supportive services for the Residential Care population, and the initiation of development of a Master Plan for infrastructure renewal.

#### **March 2007:**

National Guard units completed a rehabilitation project in Madison Hall to house a program for returning Iraq and Afghanistan veterans proposed by the Home.

#### **April 2007:**

DHS Survey – No quality of care deficiencies and only minor areas of improvement noted. Contracts let to upgrade all section parking lots, sidewalk repair and construction of bus shelters.

New Director of Operations selected (Karen Luke)

### **May 2007:**

A \$500,000 study of the Home's aging infrastructure was completed and the results are being used to guide the development of the facility Master Plan.

Swimming Pool Dedication; \$750,000 renovation of the Home's swimming pool, 90% paid for by the Town of Yountville as a partnership.

Director of Residential Programs (Alan Jessen), Director of Patient Care Services (Elaine Trujillo) were selected.

### **June 2007:**

A private grant was approved by the Iraq-Afghanistan Deployment Impact Fund to support an innovative program for returning Operation Iraqi Freedom and Operation Enduring Freedom (Afghanistan) veterans. This will result in the establishment of the "Pathway Home Center" in Madison Hall, as a project of the Tides Center of San Francisco. The program is expected to open in mid-fall 2007.

The design phase of the remodel of the Member Service Building at Yountville was completed and plans are being made to temporarily accommodate the functions now housed in the building, which include a 45,000 volume library, Coffee shop and restaurant, Closed-circuit TV broadcast and production studio, a branch Base Exchange, and numerous recreational and social activities in two large meeting rooms. Construction is expected to begin in spring of 2008.

Renovation of Roosevelt Hall as a Memory Care Center for Dementia and Alzheimer patients is on track for completion, with a formal re-dedication ceremony planned for July 11, 2007 and patient move-in by October 2, 2007. The project was initiated ten years ago by a Blue Ribbon Task Force for Veterans Homes appointed by the governor. Director named of the new center.

The Department reported on issues related to the Veterans Home of California - **Chula Vista**.

- June 2006: News Conference held at the Home by Congressman Filner announcing his appointment as a ranking member of the House Veterans Affairs Committee.
- June 2006: The Home hosted an official visit by California State Controller Steve Westley.
- July 2006: Kathleen Hawk was appointed by the Governor to serve as the new Skilled Nursing Facility Administrator.
- August-September 2006: The Department of Health Services Licensing and Certification conducted their annual survey at the facility for life safety. The results were positive.
- November 2006: The USDVA conducted their annual survey of the facility, and the results were very positive.
- April 2007: A new Clinical Psychologist and Drug and Alcohol Treatment Counselor were hired as part of the Behavior Wellness Program.
- April 2007: A new Veterans Memorial Rose Garden was dedicated at the Home.

The Department reported on issues related to the Veterans Home of California - **Barstow**.

- Plans to re-open the Skilled Nursing Facility (SNF) are in progress. Recruitment for key positions has commenced and discussions are ongoing with medical services providers. Budget allocation forecasts have been submitted for approval to Headquarters.
- December 2006: The Home began a joint effort with Barstow Community College to institute their Certified Nurse Assistant Program utilizing facilities at VHC-Barstow.

The Department reported on issues related to the New Veterans Homes construction project.

September 2006: The transfer of the title for GLAVC is about to take place and is going through a sign-off process in the central office. The Secretary has signed the \$80,000,000 that we will have this year. This gives us six months to have the bids ready for the GLAVC process and signing an MOU with the Secretary in Washington before March 18, 2007. The bids will go out on December 4, and they're looking to break ground in the spring or early summer.

In September '06, Secretary Nicholson signed a priority list of pending state home construction grant applications. There are thirty states, including California, that have projects considered priority one for a total of \$491 Million Dollars. California's projects, including the Yountville Member Services Building, which is very high on the list of life/safety, Redding, Fresno and GLAVC totals \$220 Million of the \$491 Million. In the budget for the federal government fiscal year that we are now in, which has just again been approved by continuing resolution, there is \$85 Million and we are receiving \$80 Million of it. In the proposed fiscal '08 budget, they again have \$85 Million. That is the single biggest issue, that if the federal money is not there, no state has the dollars to progress with their projects. The Department has brought this to the attention of every legislator. Our project for Fresno and Redding was facilitated in part by Assemblyman LaMalfa's legislation on design/build. We're still working with the Department of General Services on this. Dr. Johnson was in Redding in August and presented what he felt was a reasonable schedule on proceeding, but we slipped two months on that schedule. In March we will be allowed to go out with the qualifications for a Master Architect, and beginning construction in '08, with a completion in 2010. The timetable for beginning construction for Lancaster and Ventura to open in '08 and GLAVC, the end of 09, is still on track.

SB 630 is a bill to ensure that the dollars will be there for the Fresno and Redding homes - \$57 Million for Fresno, and \$30 Million for Redding. The Public Works Board is meeting today on this bill, and it should be approved today. During the next week, the Department will solicit qualification for the master architect to do the design build for Fresno and Redding.

December 2006: The Department has met every Federal and State deadline for public works for the State Home Construction Program, and 100% of the plans were completed and approved by the USDVA on December 4. On December 6, the land was provided to the State of California by the United States Government via Quit Claim Deed of 13.378 acres, and the Governor accepted this land on December 7. The plans have now gone out to bid, and by March the Department will be able to receive those bids and move forward with the next stage, which is the signing of the Memorandum of Understanding with the Federal Government. The week of December 11, the

Department will be having constituent meetings and construction meetings, what is called project outreach meetings, in Lancaster, Ventura and Los Angeles, as well as pre-bid walk throughs with the contractors that are interested in bidding on that project. The sharing agreements that are being worked out in concert with the people in West Los Angeles are also going well. Five of them are completed. The key one that is not finalized is the Information Systems. This is an ideal opportunity for the Federal Government to incorporate the Vista System as a prototype into the West Los Angeles Home so that those Veterans can have their records incorporated seamlessly. This is a policy matter that may have to ultimately be made by Secretary Nicholson.

In February, Secretary Johnson advised that all of the schedules that were laid out in May 2004 are still on track. In January the walk throughs were done, and the plans were sent out to potential bidders. The first two bids have been submitted, with Lancaster being \$1 Million under the estimate, and the bid for Ventura, \$2.5 Million under the estimate. A match was done with the general contractors and the DVBE alliance, upping the ante from a 3% goal to 5%, and indications are that we've achieved the 5% in Ventura, but not in Lancaster. The West Los Angeles bid will be coming in by March 18. A tabulated bid will then be sent in to Washington where the bids will be reviewed. The signing of the Memorandum of Understanding with the Federal Government to receive their federal funds will take place, and then the award will be made for the contract to the appropriate bidders. There will be a meeting in Fresno and Redding sometime in the beginning of April to update everyone regarding total monies from the State for all five projects once the bids have been tabulated and it's been discussed with USDVA. Currently, it is the Department's belief that adequate monies exist for all five projects.

**July 2007. Groundbreaking events took place for Ventura, Lancaster, and West Los Angeles.** Due to the complex site of West Los Angeles, the bid came in well above the estimate. As a result, the total \$162 Million in lease revenue money, plus the \$31 Million was not enough to build all of the homes based on our costs. Senator Aanestad put in a bill, SB 630 which would add an additional \$30 Million Dollars more, which we believe will be sufficient to build all five homes.

## **CAPITAL DEVELOPMENT AND CONSTRUCTION**

The United States Department of Veterans Affairs lists California as one of two states in "Great Need" for additional Veterans Homes. The State's voters, Legislature, and Governors all recognized this critical need and responded. Enabling legislation (the Veterans Home Bond Act of 2000, AB 2559 [Wesson] of 2002, AB 1077 [Wesson] of 2004, and SB 630 (2007) have made funds available to develop and construct new Veterans Homes in Lancaster, Ventura, West Los Angeles, Fresno, and Redding. These funds are the matching requirement to receive a grant from the USDVA State Home Grant Program that will provide the majority of the projects costs. AB 1725 [La Malfa] and SB 630 (Aanestad) allows the Department of General Services, on behalf of Veterans Affairs (CDVA) to acquire, design, equip, construct and establish the veterans homes to be constructed in Fresno and Shasta Counties using the design-build construction procurement process.

The Greater Los Angeles/Ventura Counties project, consisting of three facilities in Lancaster, Ventura, and West Los Angeles, is on schedule and budget as approved by the State Public Works Board. Construction began in July, and is ongoing. The final participation by the

USDVA State Home Construction Grant Program was raised to \$170,600,000. The current grant amount received by the State is \$113,500,000: the remainder is anticipated after the passage of the 2008 Federal budget.

The Department of General Services has engaged Sillman-Wrights Architects (San Diego) to develop the master program for new Veterans Homes in Redding (150 beds) and Fresno (300 beds). The design-build competition will end in July 2008. After selection and contract execution, the design-build team will begin the Construction Phase in November 2008. Significant press has swirled around the Running Horse development which surrounds the Fresno site, but no request to relocate the Veterans Home has been made by the City of Fresno at this writing.

The USDVA State Home Construction Grant Program has made available \$14,656,958 for general renovation and Fire/Life/Safety improvements of the Member Services Building at VHC-Yountville. CDVA anticipates approval of the Conditional Approval Request to the USDVA before October 1, 2007. The project will bid in January 2008, and construction is scheduled to begin in June.

## **THE BOARD AND THE LEGISLATIVE PROCESS**

Although its principal responsibility is as the policy making body for the Department of Veterans Affairs, the Board has, over the years, developed into an active informational conduit for the veterans community. It carries forward to that community the policy aims of the gubernatorial administration of which it is largely a part, as well as those it affixes for the Department of Veterans Affairs. It also carries back to them the attitudes, concerns, and positions of California veterans encountered in the travels of the Board and its individual members. That naturally existing dialogue gives rise to the Board's interest in the legislative process as it relates to veterans issues.

The Select Committee on Legislation monitors veterans-related legislation as well as more broadly defined legislation that might be of interest to California's veterans. From time to time, and after much discussion among themselves, the Board may take a public position on certain legislative measures.

## **THE BOARD AND THE APPEAL PROCESS**

Section 86 of the Military and Veterans Code provides that the Board serves as an appellate body for any veteran who believes that a decision by the Department of Veterans Affairs with respect to that veteran has affected them adversely. When an appeal is received, it is assigned to one of the seven at-large members for review. The assigned member, in conjunction with independent counsel to the Board, is responsible for reviewing all file material, conducting an initial hearing when one is requested, and making a presentation to the full Board. Independent counsel for the Board conducts formal hearings. The most frequent topics for appeal during this reporting period were veterans Home admission issues, College Fee Waiver issues, and various Farm and Home Loan Program issues. The Board also conducts formal hearings at which time the entire Board sits as a jury and both sides have legal counsel.



## CHART OF APPEALS—FISCAL YEAR JUNE 2006 – JULY 2007

*Locations for FORMAL Hearing are to be scheduled close to the Appellants home.*

We're able to report that for the first time, the Department and Board was able to successfully resolve all potential appeals for this year.

Appellant	Rec'd	Subject	Type of Hearing	Date Voted	Decision

## CHART OF APPEALS BY CATEGORY/TYPE

Category	Type Of Hearing(s)	Board Decision
College Education Fee Waiver	➤	
Farm and Home Loan		
Discharge: 1Yountville 1 Chula Vista	➤	
Denied Admittance	➤	

*The Law Office was provided copies of all current appeals, in addition copies provided in the Board books.  
Locations for FORMAL Hearings are to be scheduled close to the Appellants home.*

## THE BOARD AND THE VETERANS COMMUNITY

As specified in Sections 65 and 66 of the Military and Veterans Code, those individuals appointed by the Governor to serve on the California Veterans Board are veterans themselves. These men and women are people who represent the geographic and social diversity of California and they are generally individuals who have demonstrated history of service to the veteran community prior to their appointment to the Board. It is in fact the members' stature in the veteran community that gives the Board both its credibility and its access to that community. As gubernatorial appointees, Board members have the responsibilities of



communicating the Governor's veteran-related public policy positions to the veterans who live in California and returning to the Governor those concerns and viewpoints of the veteran constituency that have been communicated to the Board.

To adequately meet the responsibility described above, the Board feels very strongly to meet where veterans live and that it should meet in locations throughout the entire state and keep in mind this fact not only to meet primarily in Sacramento. Furthermore, Board members believe that meeting in rural communities and in those smaller urban communities that abound in California is every bit as important as meeting in large cities like Los Angeles, San Diego, and San Francisco. The Board has worked to implement a pattern for meeting locations that provides for this kind of geographic diversity.

Always critical to an accurate understanding of the veteran community in California is a well-developed working relationship with the veterans' service organizations. These groups, including The American Legion, Disabled American Veterans (DAV), American Veterans (AMVETS), Jewish War Veterans (JWV), Fleet Reserve Association, Reserve Officers Association (ROA), Vietnam Veterans of America, the American G.I. Forum, and the Veterans of Foreign Wars (VFW), among others, represent more than a half million California veterans. They are platforms for community service in virtually every city and town in our state. The relationship between the Board and the service organizations has been excellent during this reporting period. The Board members wish to express their deep gratitude to the organizations for the cooperation extended to it on a wide range of topics during this reporting year. Board members continue to seek out similar levels of interaction with California veterans who may not be affiliated with any organized veterans group.

## **SUMMARY OF KEY ACTIVATES**

### **July 1, 2006 through June 30, 2007**

As indicated in the overview of the boards' agenda, the California Veterans Board makes every attempt to meet in various parts of the state on a bi-monthly basis. Meetings took place as far north as Redding and as far south as San Diego. It is the desire of the Board to go where veterans reside in order to give them a chance to appear before the Board.

The Board conducted the semi-annual review of all Board policies and made several revisions, as well as creating a separate Administrative Procedures section.

The term limit of which Leo Burke carried out expired January 15, 2007. On February 20, 2007 Governor Schwarzenegger appointed Thomas Moran of Lincoln.

The Board attempts to accommodate veterans who file appeals. These appeals have been heard monthly in locations throughout the state. (See chart of meeting locations & appeal chart for details.) During the last three fiscal years the number of veterans filing appeals to the Board has decreased. This is the first year that all potential appeals were resolved before being heard. This is felt to be a result of the policies set by the board and the collaborating effort with the Department and members of the Board communicating with California's veterans. If a complaint is brought to the Board's attention calls or letters are sent to the veteran until all of the matters are resolved and/or understood.

The current Board has taken a very firm stand on, and is deeply concerned about the following issues: homeless veterans, Alzheimer's/dementia treatment facilities within our veterans homes, the G.I. Bill and student internships. Additional attention is given to

veteran's rights in the College Fee Waiver program for their children, lower interest rates for CalVet Home Loans and the planning for future Veterans Homes in California.

The California Veterans Board Policy Book is available on the Website at [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board).

## **Budget Expenditure Report** **July 1, 2006 through June 30, 2007**

<b>Type</b>	<b>General Fund 91,000</b>	<b>Farm &amp; Home 64,252</b>
Personal Services	18,467	64,252
General Expenses	7,609	330.12
Printing	78.00	36.81
Communications	1,260	704.03
Postage	2,332	105
Travel/Per Diem	25,638	2,914
Training	100	429.00
Total	55,483	69,501

### **NOTES:**

Expenditures are rounded to the nearest dollar.

- ❖ This report summarizes the budget allocation and expenditure for both funding sources (General Fund and the Farm & Home Building Fund). It does reflect the savings or deficit for each fund.

## BOARD MEETING SCHEDULE FISCAL YEAR 06/07

DATE	LOCATION	TYPE OF MEETING
JULY 7, 2006	BARSTOW Barstow Veterans Home	REGULAR
AUGUST 11, 2006	SACRAMENTO CDVA Headquarters	REGULAR
SEPTEMBER 8, 2006	W. LOS ANGELES New Directions, Inc.	REGULAR
OCTOBER 13, 2006	CHULA VISTA Veterans Home	REGULAR
DECEMBER 8, 2006	YOUNTVILLE Veterans Home	REGULAR
FEBRUARY 16, 2007	REDDING Veterans Memorial Hall	REGULAR
APRIL 13, 2007	FRESNO Legion of Valor Museum	REGULAR
JUNE 15, 2007	LOS ANGELES VA Greater Los Angeles Healthcare System	REGULAR

**Note:** Minutes of meetings are available at the Website [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board).

### Recognition Plaques and Certificates Presented July 2006– June 2007

PRESENTED TO	TITLE	DATE	PRESENTED BY
Howell Jackson	Special Council	July 7, 2006	CVB
William Jackson	Board Member	July 7, 2006	CVB
Leo Burke	Board Member	February 16, 2007	CVB
Yountville Home	123 Anniversary	April 13, 2007	CVB

❖ The Board awards individuals and programs to recognize those veterans and organizations deserving recognition.

#### **Distribution:**

4 Governor's Office  
2 President Pro Tempore of the Senate  
2 Speaker of the Assembly

40	Chairperson Senate Veterans Committee
20	Chairperson, Assembly Veterans Committee
12	Senate & Assembly Rules Committee
2	Legislative Analyst's Office (LAO)
2	Joint Legislative Budget Committee
60	Commanders & Presidents of California Veterans Organization
2	President of County Veterans Service Officers (CVSO)
3	Presidents of California Veterans Homes Allied Councils
15	California Department of Veterans Affairs
14	California Veterans Board Members
10	California Veterans Board Office Files

POSTED at [www.cdva.ca.gov/board/annual report 2006-2007](http://www.cdva.ca.gov/board/annual%20report%202006-2007)